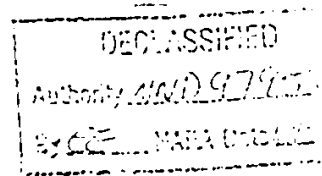


00200

1971/02/00



OVERVIEW

MEMORANDUM

This paper finds:

1. There is more usable information about China than is now used for policy purposes.
2. But more importantly, present procedures actually work to thwart both the generation and use of such information.
3. The deficiencies lie mainly in inadequate interaction between China specialists and policy makers.

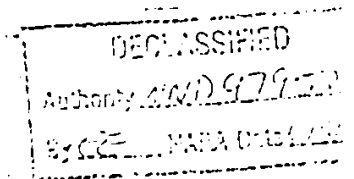
It concludes that an adequate base for long term development of China policy would require a new mode of interaction -- one that would not only impel improved intelligence, analysis and policy planning on the part of the China specialists; but the implementation of carefully designed policy moves intended to probe Chinese motivations and the prospects for altered US/Chinese relations.

It proposes:

1. Some policy directions worth further examination.
2. For certain of these, intelligence and analytic studies that would test the validity of current policy premises and possible changes in them.
3. For others, policy planning exercises that could guide potential lines of exploration via US policy moves.

A second stage of this effort will: --

1. Undertake some of the studies suggested.
2. Suggest methods for improving interactions between China specialists and policy makers.



The rest of this paper:

1. Analyses deficiencies in the present use and generation of information about China (Parts II and III).
2. Considers two key variables underlying future Chinese foreign policy responses: the succession problem and the way in which the war in SE Asia comes to an end (Part IV).
3. Suggests policy problems and further studies in four main areas of US/Chinese relations: SE Asia; Taiwan; NE Asia; US/Chinese/Soviet Relations (Part V).

DECLASSIFIED
 AUTHORITY: 6002970001
 DATE: 10/11/00

- 1 -
 - 3 -

I. Introduction

In our relations with China, the US has taken the policy initiative. The principal moves have been shaped and timed by us, rather than reflecting decisions propelled by world events to which we have reacted. The results so far have been positive, but quite modest. This opens further questions:

1. Are the potential benefits large enough to merit the kind of effort on our part that might lead to a more substantive improvement in US/China relations? There is room for skepticism on practical grounds. The payoff to such an effort is likely to be long-term and uncertain. The costs tend to be immediate and tangible. Furthermore, there are too many built-in points of conflict between the US and China for friendly relations between us to be a realistic prospect, even after a considerable period.

On the other hand, "better" relations with China do not have to be "friendly" ones. Adversarial relations can take very different forms, some of them more advantageous to us than others. Our experience with the Russians illustrates this. They still pose the single most serious threat to our security. But the world would be much more dangerous today if US-Soviet relations had remained as purely hostile as in the last years of Stalin's rule. As will be shown later (in Part V), some of the issues that may arise concerning us and Peking are of major consequence, in which the nature of our mutual relationship will undoubtedly affect the outcome.

Posed abstractly, therefore, there is no simple answer to the question of whether the advantages of "better" relations with China justify the costs of seeking them. Instead, this question suggests a different one, which is the principal focus of this study:

2. Are present policy processes sufficient to gauge the desirability

DECLASSIFIED
 AUTHORITY AND 97928
 BY 62 NARA DUBLIN

-2-

like to find policy directions that reduce the disparity between distant, uncertain benefits and present costs. The most needed ingredients are information, especially about China, to reduce the uncertainties about whether there is in fact a payoff to seeking "better" relations; and ingenuity in policy design, to minimize the costs of trying. The search for these two ingredients is the subject of this paper.

DECLASSIFIED
 AUTHORITY: 48 CFR 1.1
 DATE: 10/10/2011

-3-

II. Policy Relevant Information about China

A. The number of China specialists in the US government -- and their output -- is large.

Some recent Defense Department seminars on China were attended in total by over 200 specialists, almost all employees or consultants of US agencies. But how much of their output really influences policy? Too little of it is used, but also too little is "usable" for this purpose. In a sense, therefore, we seem to "know" more about China than we can benefit from. The reason is neither sloth nor indifference. In large part, it is because too much that we feel we know is not usable for policy purposes.

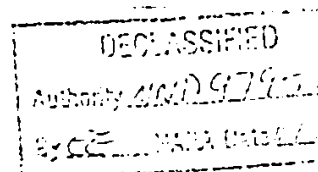
B. In bureaucratic policy making, what kinds of information are "usable"?

The following are the main characteristics:

1. It must be relevant to a policy or operational decision that might be made. Some decisions are forced by world events. The information available must be used, whatever its appropriateness, and it acquires relevance by force of circumstance. Where the policy initiative is ours, however, decisions can be avoided. A harsher test of usability is naturally applied.

2. Or it must relate to resource allocation decisions, such as force structure and deployments. These decisions are part of a budgetary cycle and hence must be made, with or without a fully satisfactory informational base. What is available will be used, ^{but} ~~for~~ innovations are unlikely unless there is strong informational support for them. This is conducive to conservatism, as perhaps it should be, but it also produces other asymmetries. Hard information tends to prevail over soft, and this does not necessarily produce good policy. For example, we can ascertain whether Taiwan would

produce good policy. For example, we can ascertain whether Taiwan would



-4-

in the availability of information could -- but probably should not -- decide the issue, if it arises.

3. Usable information usually requires some degree of agreement among (and within) agencies. Where specialists differ on the facts or analysis, policy makers properly hesitate to act.

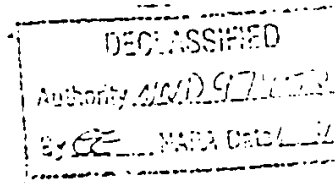
4. This does not mean, though, that all usable information must rest on affirmative inter-agency agreement. Where specialists disagree, they could still provide usable information by agreeing on a policy-relevant description of their differences. This would mark out an area of uncertainty, which prudent policy would take into account.

5. Finally, usable information should be communicable and persuasive to decisionmakers. Chinoiserie has to be filtered out. The decisionmaker must find the information intelligible enough and firm enough to pass his own tests. In important matters it must also be suitable for him to use with other officials and with the public.

C. Why is not more usable information produced?

The fault cannot be properly be attributed to the China specialists, because usability is uniquely the product of interaction between substantive specialists and policy makers. Their mode of interaction is different in the case of China than for other important countries and is a fundamental weakness on both the information generating and policy development sides of the government.

1. We have no bilateral relations with China. The policy maker must usually deal with China as part, but not the center, of another problem. Hence China is rarely brought into focus for him as a national entity. Current efforts, such as the Warsaw talks, are an exception to this. But



they are at too early a stage to serve the purpose adequately. Furthermore, their progress may depend on our developing more usable information about China -- rather than the other way around.

2. Few senior policy makers have a personal background of familiarity with China as a country. Nor are they forced to acquire one by their normal routine in office. They are less apt than in the case of, say, Russia or Western Europe or Japan, to hold or develop a strong, relatively concrete view of their own.

3. When China does come up to the policy making level, some other country is usually of central concern. Bureaucratically, this means the action responsibility lies with those primarily involved with our relations with countries other than China. The China aspect will be taken into account, but the problem is structured for the policy maker from this origin and with this orientation.

4. China is too confusing to capture much of the day of a busy policy maker. How much of his calendar should go to a problem with so much complexity and so remote a prospect of satisfactory results? This is probably as it should be -- which means that solutions have to be sought that do not require too much of the policy makers' time.

5. At present, national intelligence estimates or NSC policy studies can and do view China as a national entity, but they are not part of a self-sustaining process of interaction between specialists and policy makers. There is little feedback to these efforts from the policy making level.

6. As an abstract proposition, the value of information about China has been recognized within the government. The result is a substantial expenditure of resources, but too much of the effort starts and ends within the China specialist and intelligence community. This can result not only in misalloc-

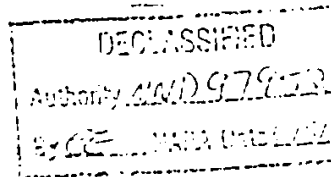
DECLASSIFIED
 Authority: AND 979111
 By: 62 NARA 001430

-6-

collection becoming a goal in itself. The costs of the latter may not be limited to the money spent. Peking can mistakenly ascribe hostile intent -- e.g., to reconnaissance efforts -- where in fact no US policy is reflected at all.

7. For all these reasons, the policy making process does not often compel the policy maker to picture China for himself or ask questions about China as a country. This means some usable information goes unused, because its usefulness is not easily recognized by him. Much more important, it means that the policy making process does too little to propel the information generating parts of the government in the direction of usability. For countries like Russia or Germany, the policy maker must constantly ask questions he needs answered, reject answers he finds irrelevant or unpersuasive, demand interagency agreement or explanations of agency disputes. His demands orient the substantive specialists to the needs of policy, just as their responses (when successful) permit more sophisticated policies to be developed -- and more sophisticated demands/^{for information} to be levied by the policy maker.

D. Later in this study (Part V) some papers for the second phase of the effort are proposed. These are intended, in a sense, as a simulation of the kinds of information and analytic demands that should be generated at the policy making level. Phase II will also suggest procedures for continuing this kind of simulation. But the uncertainties surrounding China policy are unlikely to be adequately handled by better information processes alone. To ⁹⁰ further will probably also require substantive interactions, however tentative and exploratory, between the two countries.



-7-

III. Explorations via Policy -- Another Source of Information

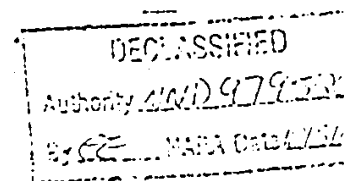
A. As just noted, the paucity of business to be transacted between the US and Peking is one source of weaknesses in the interaction between our policy makers and China specialists. The same must be true in Peking. This is one reason neither country has more usable information about the other.

B. Added to this is perhaps an important factor. Peking wants concessions from us -- for example, on the Taiwan issue. Even if Peking wants better communication (which may or may not prove true), it will also want to bolster its bargaining positions by generating pressures on us, posing maximum demands and concealing possible areas of "give." We have similar concerns. On both sides, communications for their own sake will be inhibited.

C. Finally, ideological and bureaucratic considerations both in Peking and Washington make it hard for either government to decide how it is willing to act toward the other or, what picture of itself it is willing to convey. Difficult decisions like this are not made unless there is some reason to think they are worth the effort. For this reason some of the most crucial usable information simply will not come into existence in the absence of a more substantive US/Chinese relationship.

D. The results of a policy move can be divided into two parts. To some extent it affects the relations among countries -- it changes the world a bit (or a lot). Secondly, it produces feedback -- information. The mix between the two results should be variable, depending on the design of the policy move. The problem is to summon enough ingenuity to find steps we might take with enough substance to evoke some usable information about China, without paying a high price in terms of consequences for our other interna-

... of information, but with



-8-

minimal impact on the world. These might take any of several forms:

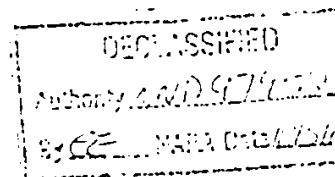
1. Direct US/Chinese interactions (diplomatic or other).
2. The interaction of a third country with China (perhaps stimulated by us).
3. Our interaction with a third country of special interest to China.

E. There will always be costs to such moves, emphasized in our calculus because of the third country focus of our foreign policy bureaucracy.

1. "Now" is never the time to risk a near-term flap with some friendly country just to probe a possible long-term benefit in our handling of China policy.
2. These concerns should be taken seriously, but also carefully analyzed. In appraising them, the Embassies and Bureaus responsible for the countries concerned should describe the costs in concrete terms, spell out their implications and suggest possible ways of ameliorating them.
3. Possible benefits should not be overlooked. A move that disturbs Country X may be helpful in dealing with Country Y. The one should be measured against the other. The policy move itself should be designed if possible to produce such offsetting payoffs.

F. The feasibility of gathering usable information via policy exploration at acceptable cost will be treated more concertely in Part V of this paper and in the second phase of this effort. However, several points are worth noting here:

1. It is probably not feasible unless Peking has now, or potentially,



-9-

a serious interest in "better" relations with us. Even if both countries are interested, the effort could die for lack of information. An unrequited interest would probably have little hope.

2. We should not infer too much from the relatively dismal record of the past. It is to Eisenhower's credit that he began the search for a more rounded relationship with the Russians while the outlook still seemed bleak. Looking backwards, there is no doubt it was worthwhile.
3. We know now there have been major disputes about policy within Peking's leadership and that there has been an ebb and flow in the policy lines actually implemented. Most of the differences seem to have been about domestic affairs, but official Peking statements of policy toward the US have varied over time. There may be possibilities for variations worth exploring in the near future.
4. We cannot anticipate when Mao's authority will dissipate, through death or age. Some of his successors' views may be more advantageous to us. They might also be influenced in desirable directions by what we do and say before Mao goes.